MAY 0 7 1987

Cost estimate for SIGNAL

SIGNAL 1.0 special issue

Extra costs above the magazine's usual ones

6,000	(1)	Jeanne's salary
4,500		Part time researcher
500		Phone
5,000	(4)	Printing larger size
16,000		Total (2)

Cost to do additional pages for book

5,000		Kevin's salary
5,000	(1)	Jeanne's salary
20,000		Production salaries
4,000		Research
1,000		Phone
8,000		Contributors
43,000		Total (3)
59,000		Total for SIGNAL 1.1

Royalty is 10% for the first 25,000, 12 1/2% thereafter. Initial printing will be 25,000. If the book is priced at $10, then gross income for initial printing is $25,000.

Ten Speed is offering a $15,000 advance against royalities at publication date to pay contributors.

59,000		Total cost of book
-15,000		Advance at publication
45,000	(5)	Needed production money

This money would be paid by Ten Speed to us in eight (8) monthly payments of $5,000, starting in May.

What we could expect to gain from first printing:

Questions

1) are salaries adequate? $11,000 for Jeanne is only about 5 or 6 months work

2) Won't there be extra production salaries for magazine w/ larger format?

3) No production overhead costs for book for materials, OPS, etc

4) is $5000 extra enough for all added printing costs?

5) Needed production money is actually $51,000 based upon these estimates ($59M - $8M for book contributors fees, $7M in mag. contrib. fees not included in this estimate)

6) "Net gain" see next page, would be approx $10M ($25M - $15M advance at publication $ would not all be in w/in 6 months

(Q: 8 × $5,000 = $40,000)

25,000	Royalties
-8,000	Book's contributors payments
17,000	Net gain over six months

Total estimated production costs	$59,000
Less Book contributors fees	$8,000
Needed up-front production costs	$51,000

Up-front prod. money requested	$45,000
Less est. up front production costs	$51,000
Shortfall on production costs	($6,000)
Advance at Publ. (against Royalties)	$15,000
Balance on hand at publ.	$9,000
Less mag. contrib fees paid at publ.	$8,000
Balance at Publication	$1,000

		copies sold	
		15,000	50,000
Estimated Royalties on first printing (25,000 copies)	$25,000	15,000	56,000
Less Advance at Publication —	$15,000	-15,000	-15,000
Plus balance on hand at publ.	$1,000	+1000	+ 1,000
Estimated total profit after sell-out all of first printing	$11,000	$1,000	$42,000

SIGNAL -- special WER issue #57
144 tab-sized pages, perfect bound, mandoprint paper

	WER Production (average*)	Additional Signal Costs
Salaries		
editorial	$13,079	+$12,000 (JC, HLR)
production	$13,898	+ ?????
circulation		same
office		same
research	$2,029	+ $1,014 (additonal access)
payroll taxes/benefits		
writers/contributors	$10,000	+$7,280 ($120 per page)
supplies/research	$2,569	????
magazine printing	$26,734	+$23,385 ($50,119 total**)
subscription fufillment		
direct distribution		
national newstand		
mailing list		
software catalog fufillment		
syndicated column		
equipment rent/maintenance		
telephone/networks		
postage		+$1750
building rent		

Total Additional Costs $45,429

Printing cost variables

144 pages -- $50,119
128 pages -- $46,291
112 pages -- $42,463
96 pages -- $38,635
80 pages -- $38,635

**Above amounts may be substituted for 144-page printing cost. Related expenses would be proportionatly less.

*Average figures estimated for three-month production from Cindy's monthly financial tables.